

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON BUSINESS AND LABOR**

**Call to Order:** By **CHAIRMAN JOE MCKENNEY**, on February 6, 2001 at 8:00 A.M., in Room 172 Capitol.

#### **ROLL CALL**

##### **Members Present:**

Rep. Joe McKenney, Chairman (R)  
Rep. Rod Bitney, Vice Chairman (R)  
Rep. Gary Matthews, Vice Chairman (D)  
Rep. Roy Brown (R)  
Rep. Nancy Fritz (D)  
Rep. Dave Gallik (D)  
Rep. Kathleen Galvin-Halcro (D)  
Rep. Dennis Himmelberger (R)  
Rep. Carol C. Juneau (D)  
Rep. Jim Keane (D)  
Rep. Rick Laible (R)  
Rep. Bob Lawson (R)  
Rep. John Musgrove (D)  
Rep. William Price (R)  
Rep. Allen Rome (R)  
Rep. Donald Steinbeisser (R)  
Rep. Brett Tramelli (D)  
Rep. James Whitaker (R)

**Members Excused:** Rep. Sylvia Bookout-Reinicke (R)

**Members Absent:** None.

**Staff Present:** Gordon Higgins, Legislative Branch  
Jane Nofsinger, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

##### **Committee Business Summary:**

Hearing(s) & Date(s) Posted: HB458, SB32, SB93, SB189,  
2/1/2001  
Executive Action: SB189, SB93, SB32, HB399,  
HB400, SB458

**HEARING ON SB189**

**Sponsor:** SEN. WALTER MCNUTT, HD50, Eastern Montana

**Proponents:** John Cadby, Montana Bankers Assn.  
Keith Colbo, Montana Independent Bankers  
Peter Ohman, Department of Commerce

**Opponents:** None

**Opening Statement by Sponsor:**

SEN. Walter MCNUTT, HD50, Eastern Montana, told the committee the act will match the state law with federal law, and will level the playing field between national and state charter banks. The bill will allow a bank to redeem its own capital stock with approval of the Department of Commerce, eliminate distance limitations on the placement of branch banks, and expand the uses for which a bank may borrow funds from a federal loan bank.

**Proponents' Testimony:**

Mr. Cadby presented **EXHIBIT (buh30a01)** to the committee as written testimony and encouraged the committee to pass the bill.

Mr. Colbo told the committee that 35 bankers had worked together to fashion the bill and it represented a "good consensus."

Mr. Ohman appeared in support of the bill.

**Opponents' Testimony:** None

**Questions from Committee Members and Responses:** None

**Closing by Sponsor:**

Sen. MCNUTT stated the bill had passed unanimously in the Senate committee and on the Senate Floor.

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**HEARING ON HB458**

**Sponsor:** REP. DEBBIE BARRETT, HD34, Beaverhead County

**Proponents:** Dr. Lawrence McEvoy, Board of Medical Examiners  
Tanya Ask, Blue Cross Blue Shield  
Susan Good, Allied Citizens for Health Care Equity

**Opponents:** None

**Opening Statement by Sponsor:**

**REP. DEBBIE BARRETT, HD34, Beaverhead County,** told the committee this bill requires the medical director of a managed care organization to be a physician. She said work began on this bill in 1996.

**Proponents' Testimony:**

**Dr. McEvoy** said he strongly supported the need of accountability for managed care organizations. He said some of the decisions required by the directors are medical in nature and impact the level of care. He noted 23 other states require the medical directors to be medical doctors.

**Ms. Ask** noted their managed health care group has a physician as medical director.

**Ms. Good** called the bill a "wonderful and essential idea." She said there is a need to hold the medical directors responsible as well and suggested this bill should go further to do this.

**Opponents' Testimony:** None

**Informational Witness:** **Charlene Norris, Executive Director of the Board of Medical Examiners,** said she would be available to answer questions. She responded to **Ms. Good's** comment by saying this bill will have the effect of holding the medical directors accountable for their decisions.

**Questions from Committee Members and Responses:**

**REP. GALLIK** asked **MS. GOOD** if she had some suggestions for the bill as it went forward. **Ms. Good** pointed out being a medical director is a fulltime job, and there is not enough time to have a medical practice, too.

**REP. JUNEAU** asked **Ms. Norris** how many managed health care organizations there are and if they are licensed. **Ms. Norris** said other than Blue Cross Blue Shield there are "a handful." She said

both entities are licensed. She said the medical directors are not necessarily licensed physicians. **Ms. Ask** stated there are two licensed HMOs in Montana and that both have a licensed medical director.

**REP. GALLIK** asked what the standards were. **Ms. Ask** said the medical director is held accountable as any physician, and has malpractice coverage.

**REP. LAIBLE** asked **MS. BARRETT** what prompted this bill if there are only two HMOs and both have doctors as medical directors. **Ms. Barrett** replied that the Board of Medical Examiners have been trying to do this since 1996.

**Closing by Sponsor:**

**REP. BARRETT** said she was glad to learn there are currently medical doctors in the medical director positions. She noted this bill will insure physicians continue in these positions in the future.

**HEARING ON SB32**

**Sponsor:** **SEN. DEBBIE SHEA, SD18, Butte**

**Proponents:** **Jerry Keck, Department of Labor and Industry**  
**Nancy Butler, State Fund**  
**Bob Worthington, Montana Municipal Insurance**  
**Authority**

**Opponents:** None

**Opening Statement by Sponsor:**

**SEN. DEBBIE SHEA, SD18, Butte,** said there is confusion about who has the ability to enforce the Safety Culture Act. An interim report recommended the Department of Labor and Industry seek legislation to clarify the Safety Bureau's role in enforcement. The act will "authorize the Department of Labor and Industry to issue a safety recommendation to an employer who fails to comply with the Montana Safety Culture Act" or to administrative rule regarding the act.

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**Proponents' Testimony:**

**Mr. Keck** said inspections will not only help reduce risk, but will lower workers' compensation costs. He said the Safety Bureau inspects public places, coal mines, and sand and gravel operations. He also said there is a voluntary program through which private companies can request inspections. They do about 200 of the voluntary inspections per year. They perform the inspection according to OSHA guidelines, but have no authority to issue fines or penalties. **EXHIBIT (buh30a02)**

**Ms. Butler** said, as representative of the State Fund, she supported safety inspections in the state, as currently done, and also would support the possibility of more.

**Mr. Worthington** called the bill "helpful legislation for our organization."

**Opponents' Testimony:** None

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**Questions from Committee Members and Responses:**

**REP. LAIBLE** asked **REP. SHEA** why there was no fiscal note. **REP. SHEA** said they already do this, it just needs to be clarified in the statute.

**REP. LAIBLE** asked **Mr. Keck** if the inspection information went to OSHA. **Mr. Keck** replied as long as the employer agrees to correct the problem the information is not available to OSHA. He pointed out that their contract was with the education side of OSHA, not with the regulation side of OSHA. He reminded the committee that the Safety Bureau did not charge fines or penalties.

**REP. KEANE** asked **Mr. Keck** about mining safety and health. **Mr. Keck** said coal mines have six inspections per year and are one of the safest industries in Montana.

**Closing by Sponsor:**

**REP. SHEA** said, with this bill, the Safety Bureau staff will become the watchdog of industry, and there will be fewer accidents and fewer costs.

**HEARING ON HB93**

**Sponsor:** SEN. MIKE HALLIGAN, SD34, Missoula

**Proponents:** Jeanne Bauman, Montana Credit Unions League  
John Cadby, Montana Bankers Assn.  
Keith Colbo, Montana Independent Bankers Assn.

**Opponents:** None

**Opening Statement by Sponsor:**

SEN. MIKE HALLIGAN, SD34, Missoula, said this bill is a uniform commercial code which every state has adopted and which will help Montana internationally. The bill deals with lost and destroyed checks. He said the procedure was reviewed for several years to make sure it will work before it was sent out the states.

**Proponents' Testimony:**

Ms. Bauman said the bill allows the financial institutions to stop payment on their own checks after a certain time. It also protects them against checks which have been lost, stolen or destroyed.

Mr. Cadby and Mr. Colbo also supported the bill.

**Opponents' Testimony:** None

**Questions from Committee Members and Responses:** None

**Closing by Sponsor:**

SEN. HALLIGAN asked for the committee's support and for one of the committee members to sponsor the bill in the House.

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**EXECUTIVE ACTION ON HB399**

**Motion:** REP. MCKENNEY moved that HB399 DO PASS.

**Discussion:**

**Motion:** REP. MCKENNEY moved that HB399 BE AMENDED.

**Vote:** Motion HB399 AMENDMENT carried unanimously.

**Motion:** REP. MCKENNEY moved that HB399 DO PASS AS AMENDED.

**Discussion:**

**REP. LAIBLE** said he liked the streamlining aspect of the bill but was concerned about the funding.

**REP. MCKENNEY** said the Department of Revenue does not have a blank check. He noted the fees that are charged are in the statute. Any excess money will go back to the General Fund and at the very least there is no "hit" to the General Fund, he said.

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**REP. LAIBLE** said he would like **REP. MATTHEWS'** input as he had owned a bar. **REP. MATTHEWS** said it was a good bill. He noted the Department of Revenue could not spend more than it collected and if there were leftover money, it goes to the General Fund.

**Vote:** Motion HB399 AS AMENDED passed 18-1 with Juneau voting no.

**EXECUTIVE ACTION ON SB189**

**Motion/Vote:** **REP. PRICE** moved that SB189 DO PASS. Motion carried unanimously. 19-0.

**REP. STEINBEISSER** will carry the bill in the House.

**EXECUTIVE ACTION ON SB32**

**Motion/Vote:** **REP. KEANE** moved that SB32 DO PASS. Motion carried unanimously. 19-0.

**REP. KEANE** will carry the bill in the house.

**EXECUTIVE ACTION ON HB400**

**Motion:** **REP. ROME** moved that HB400 DO PASS.

**Discussion:**

**REP. ROME** said this is an important issue but not in its present form. He said safety is an issue, especially with the new energy efficient furnaces. If not properly installed, they can be fatal, he said. He was familiar with the problems because he worked with the public daily in his hardware store. He said the matter needs to be addressed in a better bill.

**Motion:** REP. GALLIK moved HB400 AMENDMENTS which had been prepared by the Department of Commerce.

**Vote:**The HB400 AMENDMENTS carried unanimously.

REP. MATTHEWS said it was a big city bill with a lot of pros and cons, and hard for a smaller community to enforce.

REP. LAIBLE said he opposed the bill and thought it would cost the consumers more money. He called it a "make work bill for the sheet metal industry."

**Motion:** REP. GALLIK moved that HB400 AS AMENDED DO PASS.

**Discussion:**

REP. BROWN said he couldn't agree with REP. MATTHEWS more and he was from a big city. He told the committee they will be sorry if they pass HB400. He said it did nothing to increase safety for homeowners doing their own installation. He also said people would be upset if they couldn't change their own water heaters. He also said he did not like the fact it exempted the public utilities. He concluded by saying "if you want to grow government and make it more difficult for the homeowners," pass this bill.

REP. FRITZ called the bill a safety measure.

REP. GALLIK said he did not understand why the state required some inspections and licensing and not others, especially when there was a safety impact.

**Motion:** REP. GALLIK moved that HB400 BE AMENDED in response to REP. BROWN's statement.

**Discussion:**

REP. KEANE said the amendment created another problem by cutting out the routine service of the public utilities.

REP. MATTHEWS said he was against the amendment and the people in his part of the country would not like it because they pay \$9.25 month to get service from the utility companies. He added "an amendment will not improve a bad bill."

REP. GALLIK withdrew the amendment.

**Vote:** Motion that HB400 DO PASS AS AMENDED failed 7-12 with Fritz, Gallik, Galvin-Halcro, Juneau, Keane, Musgrove, and Tramelli voting aye.



Motion/Vote: REP. BITNEY moved that HB400 AS AMENDED BE TABLED. Motion carried 12-7 with Fritz, Gallik, Galvin-Halcro, Juneau, Keane, Musgrove, and Tramelli voting no.

EXECUTIVE ACTION ON SB93

Motion/Vote: REP. WHITAKER moved that SB93 DO PASS. Motion carried unanimously. 19-0.

REP WHITAKER will carry the bill in the house.

EXECUTIVE ACTION ON HB458

Motion/Vote: REP. LAWSON moved that HB458 DO PASS. Motion carried unanimously. 19-0.

**ADJOURNMENT**

Adjournment: 10:10 A.M.

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REP. JOE MCKENNEY, Chairman

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JANE NOFSINGER, Secretary

JM/JN

**EXHIBIT** (buh30aad)